

# **DEPARTMENT OF ALCOHOL AND DRUG PROGRAMS**

## **Fiscal Year 2009-10**

### **REVISED BUDGET SUMMARY**

The Fiscal Year (FY) 2009-10 proposed budget for the Department of Alcohol and Drug Programs (ADP) is **\$719.3 million [\$311.5 million General Fund (GF)]** as compared to the FY 2008-09 Budget Act of \$699.4 million (\$300 million GF). This represents a change from the originally proposed budget shift from GF to a new fund source generated by the proposed increase in the alcohol excise taxes.

The proposed FY 2009-10 General Fund Budget continues base level funding for the Proposition 36 Substance Abuse and Crime Prevention Act (\$90 million), the Substance Abuse Offender Treatment Program (\$18 million), the various Drug Court Programs (\$27.9 million), and Non-Drug Medi-Cal Perinatal services (\$21.1 million).

As compared to the FY 2008-09 Budget Act, the proposed budget for FY 2009-10 represents a total **increase of \$19.9 million (\$11.5 million GF)** and reflects the following major changes (also see Exhibit D):

- **\$22.8 million increase** due to Drug Medi-Cal (DMC) caseload and rate changes. This represents \$12.4 million funded from GF and \$10.4 million from Department of Health Care Services (DHCS) federal reimbursements.
- **\$3.9 million decrease** in Federal Trust Fund Authority primarily due to reductions to federal grant funds for the Safe and Drug Free Schools and Communities Grant; Screening, Brief Intervention, Referral, and Treatment Grant; and funding for the State Epidemiological Outcomes Workgroup.
- **\$1.4 million increase** (\$893,000 Residential and Outpatient Program Licensing Fund) and 13 positions (8 new positions and 5 continuing limited-term) for increased workload activities associated with DMC Post-Service-Post-Payment reviews. There is a corresponding \$893,000 increase in DHCS federal reimbursements, with an offsetting reduction of \$380,000 to various other fund sources due to the associated shift in indirect costs.
- **\$825,000 shift** from GF to the Residential and Outpatient Program Licensing Fund in support of existing licensing and certification activities.
- **\$240,000 decrease** in expiring Mental Health Services Funds provided to ADP for two years in support of contract services associated with co-occurring activities.
- **\$190,000 decrease** in reimbursements from the State Lottery Commission for one-time support of problem gambling prevention activities.

- **\$96,000 increase** in contract dollars to the Driving-Under-the-Influence (DUI) Program Licensing Trust Fund on a two-year limited term basis to improve outcomes of current DUI programs.
- **\$72,000 decrease** due to miscellaneous budget adjustments.

The attached Exhibits C and D provide more detailed information on ADP's proposed budget for FY 2009-10. Exhibit C provides budget details by fund source for State Support and Local Assistance. Exhibit D is a comparison by fund source of the proposed FY 2009-10 budget as compared to the FY 2008-09 Budget Act.

### **Position Summary**

ADP's proposed FY 2009-10 budget continues to include 355.7 positions, which represents a net increase of 7.5 new positions primarily due to the proposed Budget Change Proposal for increased DMC Post-Service-Post-Payment reviews. The proposed budget also includes converting the three Substance Abuse Offender Treatment Program positions from limited term to permanent.

### **SAPT MOE Summary**

There are no changes to the SAPT Maintenance of Effort (MOE) as reported in January. The SAPT MOE requirement for FY 2009-10 is \$308.2 million. The proposed FY 2009-10 budget for substance abuse non-federal expenditures is \$329.2 million. This represents exceeding the MOE requirement by \$21 million.

### **CalWORKs Allocations**

The proposed budget for DSS includes \$52.077 million GF in FY 2008-09 and \$54.087 million GF in FY 2009-10 for the provision of treatment and recovery services to CalWORKs recipients for whom substance abuse is a barrier to employment. The current year funding is an increase of \$8.517 million from the FY 2008-09 Appropriation, and the budget year funding is an increase of \$2.010 over November 2008-09, reflecting the most recent expenditure trends.

In addition, the proposed DSS budget includes \$66.797 million GF for CalWORKs Mental Health Services for FY 2008-09 and \$70.031 million GF for FY 2009-10. The current year funding is an increase of \$4.569 million from the FY 2008-09 Appropriation, and the budget year funding is an increase of \$3.234 over November 2008-09, reflecting the most recent expenditure trends.

Counties continue to have the flexibility to move funds between their Substance Abuse Services and Mental Health Services allocations to meet local needs.

**EXHIBIT C**  
**DEPARTMENT OF ALCOHOL AND DRUG PROGRAMS**  
**REVISED FY 2009-10 PROPOSED BUDGET**

(\$ IN THOUSANDS)

FUNDING SOURCE	CATEGORY		TOTAL BUDGETED EXPENDITURES	% of TOTAL EXPENDITURES
	SUPPORT	LOCAL ASSISTANCE		
<b>General Fund</b>	<b>\$5,869</b>	<b>\$215,548</b>	<b>\$221,417</b>	<b>30.78%</b>
Non-Drug Medi-Cal Regular	\$232	\$5,189	\$5,421	0.75%
Non-Drug Medi-Cal Perinatal	\$0	\$21,111	\$21,111	2.93%
Drug Court Partnership Act	\$266	\$6,840	\$7,106	0.99%
Comprehensive Drug Court Implementation Act	\$530	\$15,691	\$16,221	2.26%
Dependency Drug Court	\$230	\$4,320	\$4,550	0.63%
Parolee Services	\$0	\$33,900	\$33,900	4.71%
Substance Abuse Offender Treatment Program	\$279	\$17,725	\$18,004	2.50%
Drug Medi-Cal Regular	\$3,340	\$106,906	\$110,246	15.33%
Drug Medi-Cal Perinatal	\$205	\$3,866	\$4,071	0.57%
HIPAA	\$787	\$0	\$787	0.11%
<b>Substance Abuse Treatment Trust Fund (Prop 36) (Funded from General Fund)</b>	<b>\$3,171</b>	<b>\$86,863</b>	<b>\$90,034</b>	<b>12.52%</b>
<b>Driving-Under-the-Influence Program Licensing Trust Fund</b>	<b>\$1,613</b>	<b>\$0</b>	<b>\$1,613</b>	<b>0.22%</b>
<b>Narcotic Treatment Program Licensing Trust Fund</b>	<b>\$1,367</b>	<b>\$0</b>	<b>\$1,367</b>	<b>0.19%</b>
<b>Indian Gaming Special Distribution Fund</b>	<b>\$4,241</b>	<b>\$4,000</b>	<b>\$8,241</b>	<b>1.15%</b>
<b>Audit Repayment Trust Fund</b>	<b>\$69</b>	<b>\$0</b>	<b>\$69</b>	<b>0.01%</b>
<b>Mental Health Services Fund (Prop 63)</b>	<b>\$288</b>	<b>\$0</b>	<b>\$288</b>	<b>0.04%</b>
<b>Gambling Addiction Program Fund</b>	<b>\$150</b>	<b>\$0</b>	<b>\$150</b>	<b>0.02%</b>
<b>Residential and Outpatient Program Licensing Fund</b>	<b>\$3,219</b>	<b>\$0</b>	<b>\$3,219</b>	<b>0.45%</b>
<b>Federal Trust Fund</b>	<b>\$21,823</b>	<b>\$251,970</b>	<b>\$273,793</b>	<b>38.07%</b>
Substance Abuse Block Grant	\$21,359	\$239,385	\$260,744	36.26%
Sale of Tobacco to Minors Control Account (SAPT)	-\$2,000	\$0	-\$2,000	-0.28%
Safe and Drug Free Schools & Communities Grant	\$1,129	\$5,874	\$7,003	0.97%
Uniform Data Systems	\$325	\$0	\$325	0.05%
Access to Recovery Grant	\$933	\$3,900	\$4,833	0.67%
SBIRT Grant	\$77	\$2,811	\$2,888	0.40%
State Epidemiological Outcomes Workgroup (SEOW)	\$0	\$0	\$0	0.00%
<b>Reimbursements</b>	<b>\$6,147</b>	<b>\$112,950</b>	<b>\$119,097</b>	<b>16.55%</b>
DHCS: Drug Medi-Cal Regular	\$4,183	\$98,277	\$102,460	14.24%
DHCS: Drug Medi-Cal Perinatal	\$205	\$3,866	\$4,071	0.56%
DHCS: Drug Medi-Cal HIPAA	\$920	\$0	\$920	0.13%
CDCR: Parolee Services Network	\$495	\$10,707	\$11,202	1.56%
Lottery Commission: Problem Gambling	\$60	\$0	\$60	0.01%
Other	\$284	\$100	\$384	0.05%
<b>TOTALS</b>	<b>\$47,957</b>	<b>\$671,331</b>	<b>\$719,288</b>	<b>100.00%</b>

**EXHIBIT D**  
**Department of Alcohol and Drug Programs**  
**Comparison**  
**FY 2008-09 Budget Act vs. Revised FY 2009-10 Proposed Budget**  
(\$ IN THOUSANDS)

FUNDING SOURCE	FY 2008-09 BUDGET ACT	FY 2009-10 GOVERNOR'S BUDGET	DIFFERENCE
<b>General Fund</b>	<b>\$209,938</b>	<b>\$221,417</b>	<b>\$11,479</b>
Non-Drug Medi-Cal Regular	\$6,378	\$5,421	-\$957
Non-Drug Medi-Cal Perinatal	\$21,111	\$21,111	\$0
Drug Court Partnership Act	\$7,104	\$7,106	\$2
Comprehensive Drug Court Implementation Act	\$16,214	\$16,221	\$7
Dependency Drug Court	\$4,550	\$4,550	\$0
Parolee Services	\$33,900	\$33,900	\$0
Substance Abuse Offender Treatment Program	\$18,023	\$18,004	-\$19
Drug Medi-Cal Regular (Caseload Estimates)	\$93,721	\$106,906	\$13,185
Drug Medi-Cal Perinatal (Caseload Estimates)	\$4,639	\$3,866	-\$773
Drug Medi-Cal State Support	\$3,515	\$3,545	\$30
HIPAA	\$783	\$787	\$4
<b>Substance Abuse Treatment Trust Fund (Prop 36) (Funded from General Fund)</b>	<b>\$90,071</b>	<b>\$90,034</b>	<b>-\$37</b>
<b>Driving-Under-the-Influence Program Licensing Trust Fund</b>	<b>\$1,519</b>	<b>\$1,613</b>	<b>\$94</b>
<b>Narcotic Treatment Program Licensing Trust Fund</b>	<b>\$1,352</b>	<b>\$1,367</b>	<b>\$15</b>
<b>Indian Gaming Special Distribution Fund</b>	<b>\$8,281</b>	<b>\$8,241</b>	<b>-\$40</b>
<b>Audit Repayment Trust Fund</b>	<b>\$70</b>	<b>\$69</b>	<b>-\$1</b>
<b>Mental Health Services Fund (Prop 63)</b>	<b>\$507</b>	<b>\$288</b>	<b>-\$219</b>
<b>Gambling Addiction Program Fund</b>	<b>\$150</b>	<b>\$150</b>	<b>\$0</b>
<b>Residential and Outpatient Program Licensing Fund</b>	<b>\$1,865</b>	<b>\$3,219</b>	<b>\$1,354</b>
<b>Federal Trust Fund</b>	<b>\$277,644</b>	<b>\$273,793</b>	<b>-\$3,851</b>
Substance Abuse Block Grant	\$260,460	\$260,744	\$284
Sale of Tobacco to Minors Control Account (SAPT)	-\$2,000	-\$2,000	\$0
Safe and Drug Free Schools & Communities Grant	\$10,314	\$7,003	-\$3,311
Uniform Data Systems	\$321	\$325	\$4
Access to Recovery Grant	\$4,830	\$4,833	\$3
SBIRT Grant	\$3,519	\$2,888	-\$631
State Epidemiological Outcomes Workgroup (SEOW)	\$200	\$0	-\$200
<b>Reimbursements</b>	<b>\$107,997</b>	<b>\$119,097</b>	<b>\$11,100</b>
DHCS: Drug Medi-Cal Regular (Caseload Estimates)	\$87,091	\$98,277	\$11,186
DHCS: Drug Medi-Cal Perinatal (Caseload Estimates)	\$4,639	\$3,866	-\$773
DHCS: Drug Medi-Cal State Support	\$3,515	\$4,388	\$873
DHS: HIPAA	\$916	\$920	\$4
CDC: Parolee Services Network	\$11,184	\$11,202	\$18
Lottery	\$250	\$60	-\$190
Other	\$402	\$384	-\$18
<b>TOTALS</b>	<b>\$699,394</b>	<b>\$719,288</b>	<b>\$19,894</b>